

Michele Cerullo

From: BC Antitrust
Sent: Wednesday, February 26, 2003 5:36 PM
To: Michele Cerullo; Patricia Jones
Subject: Fwd: ConocoPhillips - Holly Corp - Woods Cross Utah Refinery



Header (1 KB)

-----Original Message-----

Date: 02/19/2003 01:58 pm (Wednesday)
From: "David J Potter" <David.J.Potter@conocophillips.com>
To: FTC.SERIOUS("antitrust@ftc.gov")
Subject: ConocoPhillips - Holly Corp - Woods Cross Utah Refinery

Subject: FTC File No. 021-0040, Docket No. C-4058

To Whom it May Concern,

I first want to say that I and most others are very please that Holly is buying our refinery. They appear to be a great company and have some very good people. However, I do wish to express a few concerns dealing with the announced benefits package. We were initially told that the refinery benefits package that Holly would provide the employees was going to be comparable to the existing benefits package with ConcoPhillips. Yesterday, Holly made a presentation dealing with their benefits package. I am very concerned that the package appears to be significantly less that what we have.

After an initial review, it appears I may lose around \$9,000 a year from my benefits or about 10% of my base salary.

I have ten children and have relied on Phillip's Flexible spending option for years now. It has saved me about \$1,500 a year off of my medical / dental / orthodontic expenses. This option is not being provided with Holly. There are quite a few other people that utilize this option. Holly has no other option they are offering in this area. This also affects my tax returns because I will have more income to declare potentially putting me in a higher tax bracket.

ConocoPhillips has a savings plan which matches 1.25% in the 401K plan and has a target of 8% for the ESOP portion. This total is 9.25% with only a 2.25% investment of base pay on behalf of the employees. Holly is only going to match contributions up to 4%. So an employee has to contribute 1.75% more and receives 5.25% less. This is going to cost me over \$4,000 a year.

ConocoPhillips incentive plan has an annual target of 7.5% of base pay. Holly Corp said that their target is about 4% of base pay. This 3.5% difference will cost me a potential additional \$3,000.

Their proposed benefits do not seem to comparable. If this is the same for other people at the refinery I can't see how the benefits are comparable in the "aggregate".

Since there are only about 140 people at the refinery , I don't think it would be too difficult to have someone do a calculation on the exact effects on each persons benefit. At the meeting that was held, I asked the Trustee how they felt and if they had any hard numbers. They said

they thought the packages were comparable but had no hard numbers to back it up but just a feeling. Without hard numbers, I feel it is impossible to tell how comparable the two packages are ... are they 2% different, 5%, 50%, 100%, ... etc. I just know that all the benefits that I pay for out of pocket don't add up to \$10,000 ... I believe my costs are about \$400/month or \$4,800 a year ... so if I still have to pay those costs and the extra \$10,000 ... my costs just went up 300% for my benefits.

I think that Holly will be a great company to work for and I am excited to work for them. However, I thought I would at least pass along my feelings dealing with their benefit package and how it appears it will affect me.

Thank you for your consideration in this matter.

David J. Potter
IT Coordinator
Phillips 66 Company - Woods Cross Refinery
393 South 800 West
Woods Cross, Utah 84087

(work) 801-299-6663
(cell) 801-554-4035
